

# House File 2277 - Introduced

HOUSE FILE \_\_\_\_\_  
BY WHITAKER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to beverage container control by expanding the  
2 number of beverage containers covered, eliminating the  
3 requirement of distributors to collect and pay refund values,  
4 and making conforming changes.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 6103HH 82  
7 tw/rj/5

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1 1 Section 1. Section 123.24, subsection 5, Code 2007, is  
1 2 amended to read as follows:  
1 3 5. Notwithstanding subsection 4, the division shall assess  
1 4 a bottle surcharge to be included in the price of alcoholic  
1 5 liquor in an amount sufficient, ~~when added to the amount not~~  
~~1 6 refunded to class "E" liquor control licensees pursuant to~~  
~~1 7 section 455C.2,~~ to pay the costs incurred by the division for  
1 8 collecting and properly disposing of the liquor containers.  
1 9 The amount collected pursuant to this subsection, ~~in addition~~  
~~1 10 to any amounts not refunded to class "E" liquor control~~  
~~1 11 licensees pursuant to section 455C.2,~~ shall be deposited in  
1 12 the beer and liquor control fund established under section  
1 13 123.53.  
1 14 Sec. 2. Section 455B.313, subsection 1, Code 2007, is  
1 15 amended to read as follows:  
1 16 1. A distributor as defined in section 455C.1, ~~subsection~~  
~~1 17 9,~~ shall not sell or offer to sell any beverage container if  
1 18 the beverage container is connected to another beverage  
1 19 container by a device constructed of a material which is not  
1 20 biodegradable or photodegradable.  
1 21 Sec. 3. Section 455C.1, subsections 1 and 2, Code 2007,  
1 22 are amended by striking the subsections and inserting in lieu  
1 23 thereof the following:  
1 24 1. "Beverage" means any liquid intended for human  
1 25 consumption and packaged in a beverage container for sale to  
1 26 consumers. "Beverage" does not include the following:  
1 27 a. A liquid typically ingested in very small quantities  
1 28 and consumed for medicinal purposes only.  
1 29 b. A liquid designed to be consumed only as a nutritional  
1 30 supplement.  
1 31 c. A product intended to be consumed, or packaged and sold  
1 32 to consumers or institutions, in a frozen state.  
1 33 d. A powdered drink mix.  
1 34 e. A soup or broth, including seafood, meat, or vegetable  
1 35 broth.  
2 1 f. Farm-produced apple cider which has not been heated,  
2 2 pasteurized, or otherwise processed.  
2 3 g. A liquid which is any of the following:  
2 4 (1) A syrup.  
2 5 (2) A concentrate.  
2 6 (3) Typically added as a minor flavoring ingredient in  
2 7 food or drink, such as extracts, cooking additives, sauces, or  
2 8 condiments.  
2 9 h. Milk or other primarily dairy-based drinks.  
2 10 2. "Beverage container" means any container, filled and  
2 11 sealed by the manufacturer and containing a beverage, which is  
2 12 at least five and one-half fluid ounces or one hundred  
2 13 sixty-two milliliters but not more than sixty-eight fluid  
2 14 ounces or two liters in size.  
2 15 Sec. 4. Section 455C.2, Code 2007, is amended to read as  
2 16 follows:  
2 17 455C.2 REFUND VALUES.  
2 18 ~~1-~~ A refund value of not less than ~~five~~ ten cents shall be

2 19 paid by the consumer on each beverage container sold in this  
2 20 state by a dealer for consumption off the premises. ~~Upon~~  
~~2 21 return of the empty beverage container upon which a refund~~  
~~2 22 value has been paid to the dealer or person operating a~~  
~~2 23 redemption center and acceptance of the empty beverage~~  
~~2 24 container by the dealer or person operating a redemption~~  
~~2 25 center, the dealer or person operating a redemption center~~  
~~2 26 shall return the amount of the refund value to the consumer.~~  
2 27 The dealer shall remit all refund values paid by a consumer to  
2 28 an approved redemption center serving the dealer pursuant to  
2 29 section 455C.6. However, a dealer may operate its own  
2 30 approved redemption center, and if it does so, may retain the  
2 31 refund values.

2 32 2. ~~In addition to the refund value provided in subsection~~  
~~2 33 1 of this section, a dealer, or person operating a redemption~~  
~~2 34 center who redeems empty beverage containers or a dealer agent~~  
~~2 35 shall be reimbursed by the distributor required to accept the~~  
3 1 ~~empty beverage containers an amount which is one cent per~~  
3 2 ~~container. A dealer, dealer agent, or person operating a~~  
3 3 ~~redemption center may compact empty metal beverage containers~~  
3 4 ~~with the approval of the distributor required to accept the~~  
3 5 ~~containers.~~

3 6 Sec. 5. Section 455C.3, Code 2007, is amended by striking  
3 7 the section and inserting in lieu thereof the following:  
3 8 455C.3 ACCEPTANCE OF EMPTY BEVERAGE CONTAINERS AND REFUSAL  
3 9 TO PAY REFUND VALUES.

3 10 1. A dealer may refuse to accept an empty beverage  
3 11 container from a consumer if the dealer is served by an  
3 12 approved redemption center. If a dealer is operating an  
3 13 approved redemption center, the dealer shall not refuse to  
3 14 accept an empty beverage container.

3 15 2. A person operating an approved redemption center shall  
3 16 not refuse to accept an empty beverage container from a  
3 17 consumer.

3 18 3. A person operating an approved redemption center may  
3 19 refuse to pay a refund value to the consumer for the empty  
3 20 beverage container if the refund value is not stated on the  
3 21 container as required pursuant to section 455C.5, or if the  
3 22 empty beverage container was purchased outside the state.

3 23 4. A distributor shall not be required to pay to a  
3 24 manufacturer, a dealer, a dealer agent, or a consumer a refund  
3 25 value on a nonrefillable beverage container.

3 26 Sec. 6. Section 455C.5, subsection 1, Code 2007, is  
3 27 amended to read as follows:

3 28 1. Each beverage container sold or offered for sale in  
3 29 this state by a dealer shall clearly indicate by embossing or  
3 30 by a stamp, label or other method securely affixed to the  
3 31 container ~~by a manufacturer or distributor~~, the refund value  
3 32 of the container. The department shall specify, by rule, the  
3 33 minimum size of the refund value indication on the beverage  
3 34 containers.

3 35 Sec. 7. Section 455C.6, subsections 2 and 3, Code 2007,  
4 1 are amended to read as follows:

4 2 2. An application for approval of a redemption center  
4 3 shall be filed with the department. The application shall  
4 4 state the name and address of the person responsible for the  
4 5 establishment and operation of the redemption center, ~~the kind~~  
~~4 6 and brand names of the beverage containers which will be~~  
~~4 7 accepted at the redemption center~~, and the names and addresses  
4 8 of the dealers to be served by the redemption center. The  
4 9 application shall contain such other information as the  
4 10 director may reasonably require.

4 11 3. The department shall approve a redemption center if it  
4 12 finds that the redemption center will provide a convenient  
4 13 service to consumers for the return of empty beverage  
4 14 containers. The order of the department approving a  
4 15 redemption center shall state the dealers to be served by the  
4 16 redemption center ~~and the kind and brand names of empty~~  
~~4 17 beverage containers which the redemption center must accept.~~  
4 18 The order may contain such other provisions to insure that the  
4 19 redemption center will provide a convenient service to the  
4 20 public as the director may determine.

4 21 Sec. 8. Section 455C.12, Code 2007, is amended to read as  
4 22 follows:

4 23 455C.12 PENALTIES.

4 24 1. Any person violating the provisions of section 455C.2,  
4 25 455C.3, 455C.5, and 455C.8, or a rule adopted under this  
4 26 chapter shall be guilty of a simple misdemeanor.

4 27 2. ~~A distributor who collects or attempts to collect a~~  
~~4 28 refund value on an empty beverage container when the~~  
~~4 29 distributor has paid the refund value on the container to a~~

~~4 30 dealer, redemption center, or consumer is guilty of a  
4 31 fraudulent practice.~~

4 32 3- 2. Any person who does any of the following acts is  
4 33 guilty of a fraudulent practice:

4 34 a. Collects or attempts to collect the refund value on the  
4 35 container a second time, with the knowledge that the refund  
5 1 value has once been paid by ~~the distributor to a dealer,~~  
5 2 ~~redemption center or to a consumer.~~

5 3 b. Manufactures, sells, possesses or applies a false or  
5 4 counterfeit label or indication which shows or purports to  
5 5 show a refund value for a beverage container, with intent to  
5 6 use the false or counterfeit label or indication.

5 7 c. Collects or attempts to collect a refund value on a  
5 8 container with the use of a false or counterfeit label or  
5 9 indication showing a refund value, knowing the label or  
5 10 indication to be false or counterfeit.

5 11 4- 3. As used in this section, a false or counterfeit  
5 12 label or indication means a label or indication purporting to  
5 13 show a valid refund value which has not been initially applied  
5 14 as authorized by a distributor.

~~5 15 5- 4. Subsection 2 and subsection 3, paragraph "a" of  
5 16 this section have has no application to empty beverage  
5 17 containers which are intended to be refillable and are in a  
5 18 standard of condition except for sanitization to be refillable  
5 19 by the manufacturer.~~

5 20 Sec. 9. Section 455C.16, Code 2007, is amended to read as  
5 21 follows:

5 22 455C.16 BEVERAGE CONTAINERS == DISPOSAL AT SANITARY  
5 23 LANDFILL PROHIBITED.

~~5 24 Beginning July 1, 1990, the The final disposal of empty  
5 25 beverage containers by a dealer, distributor, or manufacturer,  
5 26 or person operating a redemption center, in a sanitary  
5 27 landfill, is prohibited. Beginning September 1, 1992, the  
5 28 final disposal of beverage containers used to contain  
5 29 alcoholic liquor as defined in section 123.3, subsection 5, by  
5 30 a dealer, distributor, or manufacturer, or person operating a  
5 31 redemption center in a sanitary landfill, is prohibited.~~

5 32 Sec. 10. Sections 455C.4, 455C.7, 455C.13, and 455C.14,  
5 33 Code 2007, are repealed.

5 34 EXPLANATION

5 35 This bill relates to the control of empty beverage  
6 1 containers and makes changes to Code chapter 455C, commonly  
6 2 referred to as the bottle bill.

6 3 The bill expands the definitions of beverage and beverage  
6 4 container to require more beverage containers to carry refund  
6 5 values.

6 6 The bill increases to 10 cents the refund value on beverage  
6 7 containers. The refund value is currently 5 cents per  
6 8 beverage container.

6 9 The bill makes significant changes to the way refund values  
6 10 are collected and empty beverage containers are accepted.

6 11 Currently, distributors collect 5 cents on each container from  
6 12 dealers who in turn charge 5 cents to consumers. Consumers  
6 13 who return the empty beverage containers are refunded the 5  
6 14 cents by the dealer who returns the empty beverage containers  
6 15 to the distributor and is also refunded the 5 cents. Dealers,  
6 16 however, also receive an amount of 1 cent per container from  
6 17 the distributor, which is commonly referred to as the handling  
6 18 fee.

6 19 The bill eliminates most of the requirements placed on  
6 20 distributors by the current law. The bill requires dealers to  
6 21 collect the refund values from consumers and then remit the  
6 22 refund value to an approved redemption center. Consumers  
6 23 return the empty beverage containers to the redemption center  
6 24 instead of the dealer and the redemption center pays them the  
6 25 refund value. Distributors no longer have to collect or pay  
6 26 refund values, and they no longer have to accept the empty  
6 27 beverage containers from dealers. Instead, the empty beverage  
6 28 containers will be disposed of by the redemption centers,  
6 29 typically for scrap value.

6 30 The bill requires a redemption center to accept all empty  
6 31 beverage containers, but it does not require them to pay the  
6 32 refund value to the consumer if the container does not bear a  
6 33 refund value indication or if the container was purchased out  
6 34 of the state.

6 35 Because not all empty beverage containers are returned by  
7 1 consumers, a certain number of refund values will go  
7 2 unclaimed. The bill makes no provision for these moneys, but  
7 3 because all refund values collected by the dealers are  
7 4 remitted to redemption centers, it is the redemption centers  
7 5 that would keep the unclaimed refund values.

7 6 The bill strikes or repeals a number of outdated provisions  
7 7 or provisions related to distributors that are no longer  
7 8 necessary given the changes made in the bill.  
7 9 LSB 6103HH 82  
7 10 tw/rj/5